

EXHIBIT C

ADWEEK

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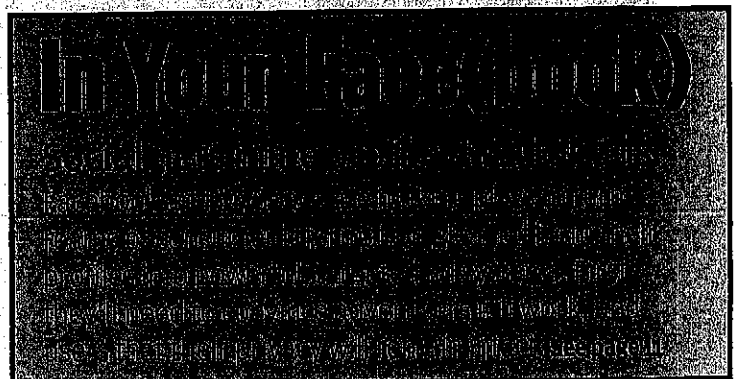
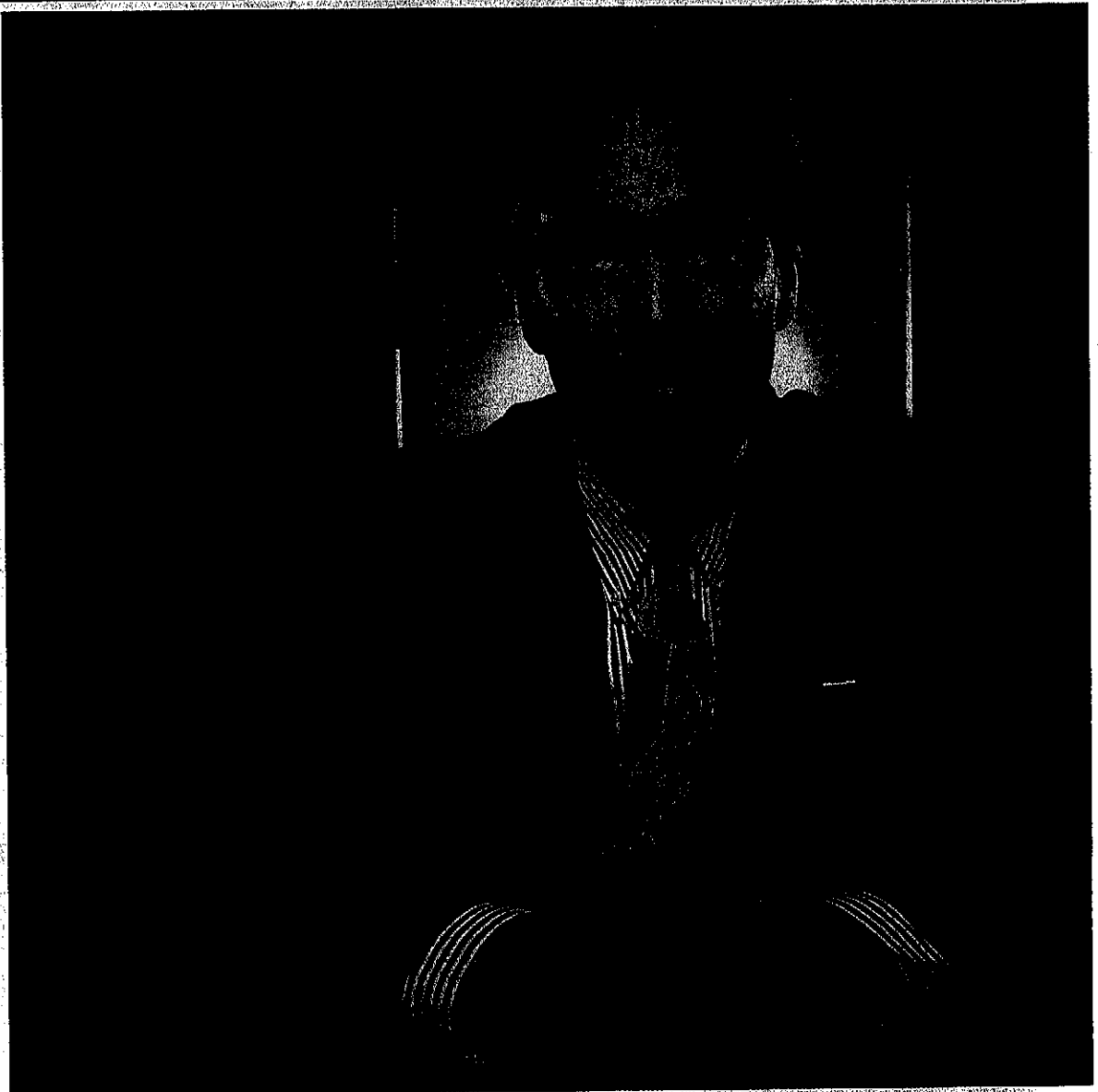
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The Story Behind Dentsu's Lurid Lawsuit

Papers ready for nearly a year, sent to clients, used in severance talks

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NEW YORK For Dentsu, a below-the-radar agency that traditionally attracts little attention in the media, last week was a whopper. After former group creative director Steve Biegel filed a lurid sexual harassment and discrimination suit against the Japanese company's top North American exec, Toyo Shigeta, tabloid headlines appeared everywhere. The plaintiff alleged he was forced to visit a brothel and engage in what he considered other inappropriate activities—like going to a Japanese bathhouse—while on company outings and was fired when he complained.

By week's end, it became known that Biegel had a draft of the suit ready for nearly a year and was using it as a bargaining chip in his bid to get a better severance package. His lawyer, Andrew Dwyer, does not deny that at one point Biegel was seeking at least \$1 million.

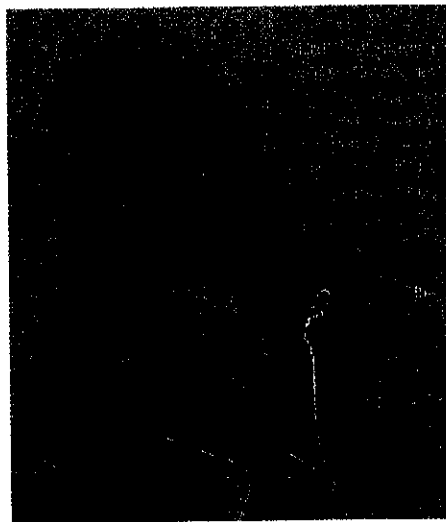
The strange saga began in November 2006, when Dentsu America CEO Tim Andree—who had been brought into the agency in May of that year—terminated Biegel because, he says, he had issues with the copywriter's performance. (Andree is also named in the suit.) The Dentsu CEO told *Adweek* that Biegel's response was, "You had better be generous in your severance package because I'm from Queens and I know how to play dirty." Biegel would not comment for this story on advice of his lawyer. (Dwyer's infant son was a plaintiff when, in 1994, his father filed a gender discrimination lawsuit against Lord & Taylor because the retailer did not have diaper changing stations in the men's bathrooms.)

Andree offered him \$30,000, or roughly two months' severance, for the three and a half years Biegel had worked at Dentsu, Andree said. Dentsu did not receive a response from Biegel, and the deadline for acceptance, which had passed, was extended. Then in December the agency received a draft of the salacious lawsuit, with a letter threatening to file the complaint. Biegel's attorney started severance negotiations in the "multi-million dollar" range, according to Andree.

Biegel's lawsuit alleges that Shigeta took him and a colleague to a brothel in Prague in 2004 and "demanded that they participate in the prostitution." He claims in the suit that he did not have sex. It further alleges that Shigeta told Biegel "that having sex with prostitutes was a Japanese style of conducting business" and cites a story he told Biegel and Dentsu America pres-

ident Doug Fidoten about an encounter he and another businessman had with a prostitute in Mexico and said that having sex together was a way to "commemorate business dealings." Fidoten denies ever hearing that story.

The agency president also objects to Biegel's characterization of the Tokyo bathhouse where Shigeta took his visiting American agency execs. Biegel describes it as another example of being "humiliated and offended" and that he was "required to parade around naked." According to Fidoten: "It was a family on-sen (bathhouse) where bathing areas are segregated by sex. You get beautiful robes, there's a spotless locker room and there's an arcade that's set up like old Japan. Steve, Ron and I bought souvenirs for our children."



"If Steve Biegel had exhibited as much creativity and effort when he worked here as he has on manufacturing this frivolous complaint, the company would not have fired him. When I was hired at Dentsu, I insisted on having a mandate to make all hiring and firing decisions. Toyo Shigeta had nothing to do with the decision to fire Biegel. . . . We've told him from the outset that if he felt he had a case, he should file it. It took him a year. . . . Now we will file ours." Shigeta, CEO, Dentsu Holdings USA, declined comment.

In early spring, the lawsuit draft was sent to Dentsu's two largest U.S. clients, Canon and Toyota. Dwyer said he sent them to recruit assistance with Biegel's case. He said he received one response—a refusal to get involved. Around a month ago, Biegel's attorney lowered his client's severance demand to around \$829,000, according to Andree. By then, according to Dwyer, the agency's lawyers had stopped communicating with him.

Dentsu has vowed to file a counterclaim, seeking damages, alleging libel because of the lawsuit draft sent to clients and fraud, based on the post-exit check of Biegel's expenses, where the agency said it found more than 20 incidents of misuse. In a sweep of Biegel's office computer, Dentsu also contends it found "hard-core pornography."

Dwyer denies Biegel misused expenses or accessed pornographic Web sites at work.

Already the agency is firing away at the credibility of Biegel's assertions. According to the married creative director's lawsuit, he said he felt "offended and humiliated" by the trip to the Prague brothel, which he insists was orchestrated by Shigeta. In addition to the Dentsu Holdings CEO, the other individual present that night was Scott Weitz, a staffer with Driver Media, who was there reshooting a Canon commercial with Dentsu. In an affidavit obtained by Dentsu in preparation of a lawsuit, he said: "Biegel and I are social friends and have worked together before and since the Prague trip. Biegel has never complained to me that Shigeta encouraged or forced or pressured him into going to the brothel. I do not recall Steve complaining that he felt humiliated, offended or uncomfortable by going to the brothel. At the brothel, Biegel went into a private room with a prostitute. I do not know what Biegel did. I do not recall hearing Biegel complain that he was being forced by Shigeta to go into the private room with the prostitute."

Weitz goes on to say that later that night he and Biegel went to another brothel in Prague. "After we left the first brothel, Biegel and I went to a second brothel. I cannot recall clearly who chose the second brothel. Shigeta did not enter the second brothel. Although Biegel and I did not talk to any prostitutes while at the second brothel, there were prostitutes there. While at the second brothel, Biegel did not tell me that he was upset or humiliated by anything that happened at the first brothel."

Biegel's attorney, Dwyer, disputes the two went to a brothel, responding that the two men "were flummoxed [by the evening's earlier events] and went for a beer" in a bar.

In his complaint, Biegel also claims discrimination, but there is little in the filing to support charges of anti-Semitism. Dwyer explains: "We're not going to prove these discrimination cases with direct evidence. We're going to prove this with circumstantial evidence. Andree said he wanted to take the creative department in a new direction, and Steve Biegel and [his boss, creative director] Ron Rosen, both Jewish, were fired. Subsequently, the rest of the Jewish [creative department] employees are gone in less than a year." As further evidence, Dwyer notes that Mike Wilson, who joined Dentsu in December, is not Jewish. Fidoten, an 11-year veteran at Dentsu America who is Jewish, and Driver Media's Weitz, also of the faith, deny anti-Semitism plays a role in the agency's management decisions.